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SIPDIS

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SUBJECT: EU UNEMPLOYMENT UP TO 6.8 PERCENT; EURO ZONE RATE STABLE  
AT 7.1 PERCENT

¶1. SUMMARY. The aggregate unemployment rate for the EU-27 increased slightly to 6.8 percent in May 2008, according to data published by the EU Commission's Statistical Office (EUROSTAT) on July 1. Unemployment in the euro zone (the fifteen EU countries participating in the euro) was stable at 7.1 percent. END SUMMARY.

¶2. With seasonal adjustment and compensation for differences in national statistical methods, the unemployment rate for the EU-27 stood at 6.8 percent in May 2008, up from 6.7 percent the previous month and down from 7.2 percent in May 2007. The unemployment rate for the euro zone stood at 7.1 percent in May 2008, unchanged from April 2008 and down from 7.5 percent in May 2007 (comparison based on the EU-15; euro zone membership effective since January 1, 2008).

¶3. The lowest monthly rates among those compiled by EUROSTAT from the EU-27 for May 2008 were recorded in Denmark (2.7 percent) and the Netherlands (2.9 percent); the highest rates were recorded in Slovakia (10.5 percent) and Spain (9.9 percent).

¶4. EUROSTAT noted that twenty-one countries among the EU-27 recorded a decrease in their unemployment rate over a year and six an increase. The most significant decreases (May-to-May comparison) occurred in Poland (from 9.8 percent to 7.5 percent) and Bulgaria (from 7.1 percent to 5.7 percent). The highest increases were recorded in Spain (from 8.1 percent to 9.9 percent) and Ireland (from 4.8 percent to 6.0 percent).

¶5. Based on EUROSTAT estimates, male unemployment reached 6.3 percent in May 2008 for the EU-27 and 6.6 percent for the euro zone, down by 0.3 percentage point and recording no change respectively when compared to May 2007. The female rate over the same period decreased to 7.3 percent for the EU-27 and to 8.0 percent for the euro zone, minus 0.6 percentage point and minus 0.5 percentage point respectively over the twelve-month period.

¶6. Unemployment rates among young people under 25 (May 2008 rates unless otherwise indicated) ranged from 5.6 percent in the Netherlands and 5.8 percent in Denmark to 22.7 percent in Greece (first quarter of 2008) and 20.8 percent in Italy. The rate for this age group in May 2008 was estimated at 14.9 percent for the EU-27 and 15.0 percent for the euro zone, compared to 15.5 percent (minus 0.6 percentage point) and 14.8 percent (plus 0.2 percentage point) respectively in May 2007.

¶7. EUROSTAT estimated that 16.171 million were unemployed in the EU-27 in May 2008 (11.199 million in the euro zone). In absolute numbers, the number of unemployed decreased by 0.9 million (EU-27) and by 0.2 million (euro zone) respectively over the twelve-month period.

¶8. Following is the breakdown of unemployment rates in ascending order for the individual EU member states:

(Seasonally-adjusted)  
(May 2008 unless otherwise indicated)

|                |                          |
|----------------|--------------------------|
| Denmark        | 2.7                      |
| Netherlands    | 2.9                      |
| Cyprus         | 3.5                      |
| Estonia        | 4.1                      |
| Austria        | 4.1                      |
| Luxembourg     | 4.2                      |
| Lithuania      | 4.3                      |
| Slovenia       | 4.3                      |
| Czech Republic | 4.4                      |
| Sweden         | 5.2                      |
| UK             | 5.2 (March 2008)         |
| Latvia         | 5.6                      |
| Bulgaria       | 5.7                      |
| Malta          | 5.8                      |
| Ireland        | 6.0                      |
| Romania        | 6.0 (first quarter 2008) |
| Finland        | 6.1                      |
| Italy          | 6.5 (first quarter 2008) |
| Belgium        | 6.7                      |
| Germany        | 7.4                      |
| France         | 7.4                      |
| Poland         | 7.5                      |
| Portugal       | 7.5                      |
| Hungary        | 7.6                      |
| Greece         | 7.8 (first quarter 2008) |
| Spain          | 9.9                      |
| Slovakia       | 10.5                     |

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Euro zone 7.2  
EU-27 6.8

¶9. The monthly rates and numbers of unemployed are estimated and based on data from the EU labor force survey. The estimated rates may differ from national unemployment rates due to differences in methods and definitions of unemployment. Unemployed people according to ILO criteria are those aged 15 and over who:

-- Are without work;

-- Are available to start work within the next two weeks; and

-- Have actively sought employment at some time during the previous four weeks.

MURRAY